[*Translation*]

Sick Micro Cement Plants in Madhya Pradesh

1031. SHRIMATI SUMITRA MAHAJAN: Will the PRIME MINISTER be pleased to state:

(a) the total number of sick mini-micro and macro cement plants in Madhya Pradesh;

(b) whether the government of Madhya Pradesh has written to the Union government in this regard;and

(c) if so, whether the Government propose to provide assistance to the government of Madhya Pradesh for making these sick industrial units economically viable?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. PJ. KURIEN): (a) It has been reported by the Board for Industrial and Financial Reconstruction that only one cement company of Madhya Pradesh viz. M/s. Abhishek Cement Limited is registered as a sick industrial company with them under the Sick Industrial Companies (Special Provisions) Act (SICA).

(b) No. Sir.

(c) In view of (a) and (b) the question does not arise.

Closed Industries in Madhya Pradesh

1032. SHRIMATI SUMITRA MAHAJAN: Will the PRIME MINISTER be pleased to state:

(a) the names of small, medium and large industries closed during last three years in Madhya Pradesh;

(b) the amount of capital invested by financial institutions in the above mentioned industries; and

(c) the steps proposed to be taken for getting these industries reopened?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF.PJ. KURIEN): (a) to (c). Data on sick industrial units assisted by the banks in the country are compiled by the Reserve Bank of India. As per the latest data available, there were 30 Non-SSI sick/weak units which were closed in the State of Madhya Pradesh as at the end of September, 1989. the amount outstanding against them as at the end of eptember, 1989 was Rs. 41.06 crores. Similar infromation with regard to SSI units is not maintained centrally. For revival of sick industrial units Government have taken a number of steps as indicated in the Statement.

STATEMENT

Steps taken by the Government of India for the revival of sick industrial units

(i) the government have enacted a comprehensive legislation namely, 'The Sick Industrial Companies (Special Provisions) Act, 1985'. A quasi-judicial body designated as 'The Board for Industrial and financial Rconstruction (BIFR) " has been set up under the Act to deal with the problems of the sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(ii) The Reserve Bank of India have issued quidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(iii) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of

potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(iv) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units without reference to RBI both in the large and small scale sector.

(v) Government of India introduced a Margin Money Scheme with a view to supplementing the efforts of the State Governments in reducing the incidence of sickness in the small scale sector. Under the liberalised scheme the maximum amount of assistance per unit available to sick small scale units for rehabilitation has been increased from Rs. 20,000/- to Rs. 50,000/-

(vi) An Excise Relief Scheme for weak units has also been announced. The scheme would apply to any unit in which 50% or\ more of the maximum net worth in any of the previous five accounting years has been eroded by accumulated losses. The unit should have a rehabilitation, modernisation or diversification package approved by a designated financial institution.The eligible unit would be entitled to an interest free loan, with a grace period of 3 years and repayable over seven years, amounting to 50% of its actual excise payments for three years subsequent to the approval of the scheme. The total amount given by way of such "Excise Loans' will not exceed 25% of the overall cost of rehabilitation/Modernisation / diversification.

(vii) A Small Industries Development Bank of India (SIDBI) has been established in April, 1990 to function as an Apex bBank for tiny and small scale industries. The paid up capital of this bank is Rs. 250 crores.

SIDBI has been organising rehabilitation meets in different state to help primary londing institutions (PLIs) and promoters in drawing up mutually acceptable rehabilitation packages for potentially viable sick SSI units. During 1990-91, 23 meets were organised at 14 centres where cases of over 250 units were discussed. The response from the PLIs and borrowers to such meets has been encouraging.

A separate Refinance Scheme for Rehabilitation (RSR) is being operated by SIDBI for revival of potentially viable sick SSI units.

Khadi and Village Industries Commission in Uttar Pradesh

1033. SHRI SHIV SHARAN VERMA: Will the PRIME MINISTER be pleased to state:

(a) whether the government have formulated any development scheme for Khadi and Village Industries Commission in Uttar Pradesh;

(b) whether the Government have provided any financial assistance for the functioning of Khadi and village industries in Uttar Pradesh; and

(c) if so, the details therefore?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. PJ. KURIEN): (a) The Government gives funds to Khadi and Village Industries Commission (KVIC) to promote khadi and village industries under its purview. The KVI is actively engaged in the development of KVI programmes in Uttar Pradesh through Uttar Pradesh State Khadi and Village Industries *Board, registered institutions and cooperatives* directly aided by KVIC as also KVIC's Departmental Units.